



CLATSKANIE DISTRICT NO. 6J
CLATSKANIE, OREGON

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

CLATSKANIE SCHOOL DISTRICT NO. 6J

660 SW Bryant St
Clatskanie, OR 97106
503.728.0587

DISTRICT OFFICIALS

Megan Evenson PO Box 678, Clatskanie, OR 97016	Board Chair
Kara Harris PO Box 678, Clatskanie, OR 97016	Vice Chair
Kathy Engel PO Box 678, Clatskanie, OR 97016	Director
Ian Wiggins PO Box 678, Clatskanie, OR 97016	Director
Katherine Willis PO Box 678, Clatskanie, OR 97016	Director

ADMINISTRATION

Cathy Hurowitz PO Box 678, Clatskanie, OR 97016	Superintendent
Maeve Mitchell PO Box 678, Clatskanie, OR 97016	Business Manager

CLATSKANIE SCHOOL DISTRICT NO. 6J
AUDIT REPORT

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clatskanie School District No. 6J,
660 NW Bryant, Clatskanie, Oregon 97016

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, of the Clatskanie School District No. 6J as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Clatskanie School District No. 6J's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of Clatskanie School District No. 6J as of June 30, 2022, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clatskanie School District No. 6J and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clatskanie School District No. 6J's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clatskanie School District No. 6J's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clatskanie School District No. 6J's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 1-9, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 56-57, and the pension and OPEB schedules on pages 58-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described on pages 56-57 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clatskanie School District No. 6J's basic financial statements. The supplementary information on pages 64-66 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Clatskanie School District No. 6J.

The supplementary information on pages 64-66 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it our report.

The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by Oregon Department of Education and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, on our consideration of the Clatskanie School District No. 6J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clatskanie School District No. 6J's internal control over financial reporting and compliance.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated April 21, 2023, on our consideration of the Clatskanie School District No. 6J's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Steve Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
April 21, 2023

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2022

Unaudited

The discussion and analysis of Clatskanie School District No. 6J's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2022 are as follows:

- Total liabilities increased by \$7,334,906 during the year primarily due to future Bond payments. Deferred outflows of resources increased by \$287,441. Deferred inflows of resources increased by \$4,277,383.
- The District's net position increased by \$2,355,781 which represents a 93.7% increase from the previous year.
- General revenues accounted for \$11,457,814 in revenue, or 80.2% of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for \$2,829,340 or 19.8% of total revenues of \$14,287,154.
- Total assets of governmental activities increased by \$13,680,628, primarily due to an increase in cash and investments from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2022 Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the District's net position, changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Special Revenue Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2022

Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was \$(158,727). This is a \$2,355,781 increase from last year's net position and represents a 93.7% increase.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	Governmental Activities		Percentage Change
	June 30, 2022	June 30, 2021	
Assets			
Current and Other Assets	\$ 15,352,105	\$ 2,857,305	437.3%
Capital Assets	6,068,474	4,882,646	24.3%
Total Assets	21,420,579	7,739,951	176.8%
Deferred Outflow of Resources	4,605,778	4,318,337	6.7%
Liabilities			
Long-Term Liabilities	16,446,410	12,152,154	35.3%
Other Liabilities	4,084,130	1,043,481	291.4%
Total Liabilities	20,530,541	13,195,635	55.6%
Deferred Inflow of Resources	5,654,544	1,377,161	310.6%
Net Position			
Net Investment in Capital Assets	3,929,848	4,317,589	-9.0%
Restricted	-	184,809	100.0%
Unrestricted	(4,088,575)	(7,016,906)	41.7%
Total Net Position	\$ (158,727)	\$ (2,514,508)	93.7%

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2022

Unaudited

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position

	Governmental Activities		
	2021-22	2020-21	Percentage Change
Revenues			
Program Revenues			
Charges for Services	\$ 107,615	\$ 50,515	113.0%
Operating Grants and Contributions	2,721,725	2,227,769	22.2%
General Revenues			
Property Taxes	5,508,302	4,249,345	29.6%
State Basic School Support	5,599,863	5,071,939	10.4%
Other	349,649	438,762	-20.3%
Total Revenues	<u>14,287,154</u>	<u>12,038,330</u>	18.7%
Program Expenses			
Instruction	6,199,263	7,098,632	-12.7%
Support Services	5,162,393	4,546,255	13.6%
Community Services	386,243	393,080	-1.7%
Interest on Long-Term Debt	184,475	24,298	659.2%
Total Program Expenses	<u>11,932,374</u>	<u>12,062,265</u>	-1.1%
Special Item: Gain (Loss) on disposition of assets	<u>1,000</u>	<u>-</u>	
Change in Net Position	<u>\$ 2,355,780</u>	<u>\$ (23,935)</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J

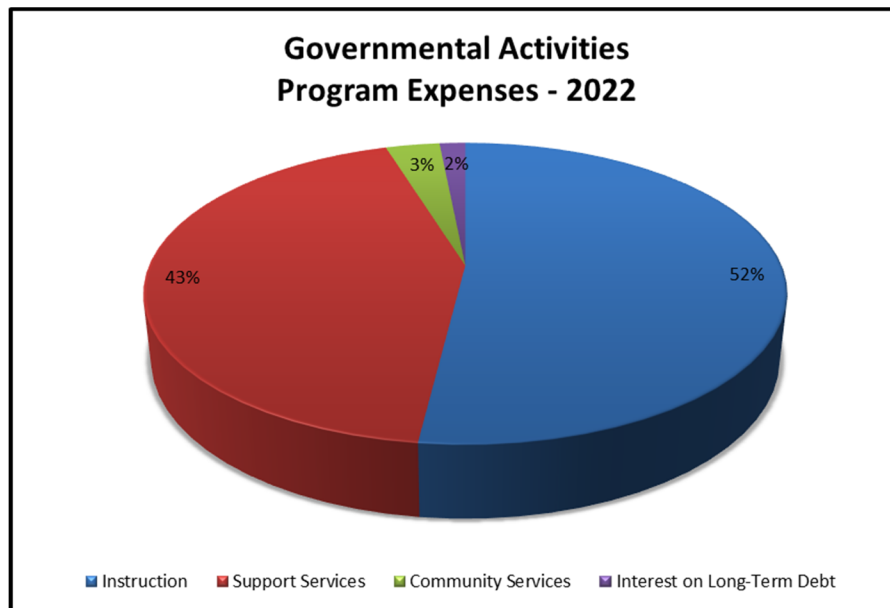
**Management’s Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2022
Unaudited**

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function’s net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District’s taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

	2021-22		2020-21	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 6,199,263	\$ 4,411,712	\$ 7,098,632	\$ (6,018,211)
Support Services	5,162,393	4,470,691	4,546,255	(3,392,895)
Community Services	386,243	36,156	393,080	(348,577)
Interest on Long-Term Debt	184,475	184,475	24,298	(24,298)
Total Program Expenses	\$ 11,932,374	\$ 9,103,034	\$ 12,062,265	\$ (9,783,981)

The dependence on general revenues for general government activities is apparent. For the current year, 80.2% of general government activities are supported through general revenues.

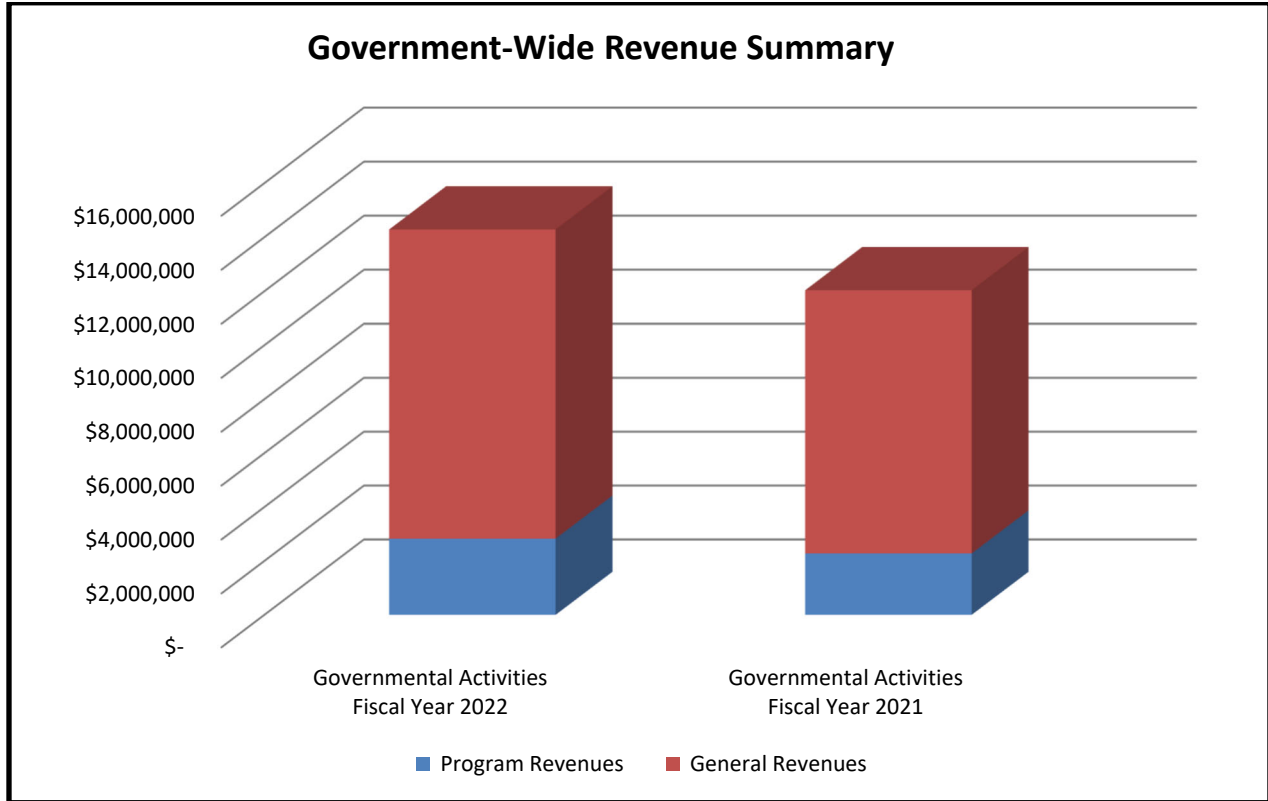
This graph represents the cost of the District’s Program expenses by governmental activities.



CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2022 Unaudited

The following chart analyzes the revenue between governmental activities from prior to current year.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$13,535,803. The fund balance consists of committed, assigned and unassigned amounts. Of the current fund balances, \$843,638 is committed and \$12,692,165 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$1,353,722.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2022

Unaudited

BUDGETARY HIGHLIGHTS

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues were budgeted and anticipated to be collected in the amount of \$8,870,214 during the fiscal year. Actual revenues of \$10,685,963 were more than budgeted revenues by \$1,815,749. The General Fund expenditures budget was under-spent by \$137,973. The actual ending fund balance was more than the budgeted ending fund balance by \$2,153,373.

The General Revenue Fund revenues were \$1,404,297 less than budgeted. Expenditures were \$908,225 less than budgeted. Ending fund balance was \$843,638.

The Debt Service Fund #300 ending fund balance increased by \$4,093. Actual revenues were less than budgeted revenues by \$19,860, and actual expenditures were \$6,582 under budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the District had invested \$20,260,487 in capital assets, including school buildings, facilities, land, vehicles, and other equipment and furnishings. This amount represents a net increase prior to depreciation of \$1,015,543 from last year due to additions of \$1,820,898 and deletions of \$805,355.

Total depreciation expense for the year was \$635,071. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2022, the District had \$10,250,824 in long-term debt outstanding. The District paid \$590,124 toward the principal balance and paid \$356,639 in interest of the long-term debt.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2022

Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The 2022-2023 Clatskanie School District budget is built on the estimate of a \$9.3 billion State School Fund. Under this estimate, Clatskanie School District's adopted budget for the fiscal year ending June 30, 2023, is \$29,215,847. This represents a decrease of \$2,132,184 versus the prior year budget. The most significant change is a reduction in capital outlay, with the 2022-23 budget at \$12,718,500 versus \$15,683,890 in the prior year. The budget projects General Fund Revenues of \$10,694,548.

The District expects a challenging year with continued reduced federal support and high inflation and adopted a budget with the goal to reduce costs while maintaining strong support for students and staff.

Personnel expenses make-up 80% of the program costs for the instruction, support and administrative functions. These increasing costs and an extremely rapid rise in inflation are the most pressing concerns for the District in an attempt to balance student needs with the provision of a realistic compensation package for our staff. Health insurance costs are also expected to increase. Premiums for District health insurance plans have increased over the years, consistent with state and national trends, and this trend will likely continue. The cost of medical services and insurance continue to be a state and national issue and cannot be controlled locally.

Collective bargaining contracts exist for both classified and certified staff. The agreements determine salary and benefit schedules. Both the certified and classified union contracts are in negotiations. It is unknown what impact the outcomes will have on the budget.

In addition, employer rates for the Public Employees Retirement System (PERS) increased significantly for the 2017-2019 biennium. The rate effective July 1, 2015 for the 2015-2017 biennium was 22.33% of salary covered under the plan for Tiers 1 and 2 employees and 17.64% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). For the 2017-2019 biennium the rates increased to 32.03% of salary covered under the plan for Tiers 1 and 2 employees and 26.58% for employees covered under OPSRP. Current actuarial projections show similar increases in the next two biennia.

The District will levy its maximum permanent property tax rate of \$4.6062 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Clatskanie School District No. 6J at 660 NW Bryant, Clatskanie, OR 97016.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

CLATSKANIE SCHOOL DISTRICT NO. 6J

STATEMENT OF NET POSITION

June 30, 2022

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 14,539,529
Property Taxes Receivable	237,615
Due From Other Governments	453,449
Prepaid Expenses	50,556
Total Current Assets	<u>\$ 15,281,149</u>
Restricted Assets:	
Net OPEB Asset (RHIA)	70,956
Total Restricted Assets	70,956
Capital Assets:	
Land	476,270
Construction in Progress	1,739,335
Building and Building Improvement	14,939,970
Machinery and Equipment	3,104,912
Less: Accumulated Depreciation	<u>(14,192,013)</u>
Total Capital Assets, Net of Depreciation	<u>6,068,474</u>
Total Assets	<u>21,420,579</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Pension Related Deferrals	4,558,821
OPEB Related Deferrals - RHIA	21,021
OPEB Related Deferrals - OEGB	25,936
Total Deferred Outflow of Resources	<u>4,605,778</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ 441,731
Accrued Interest Payable	2,612
Payroll Liabilities	1,008,369
Accrued Vacation Benefits	59,887
Early Retirement Benefits	63,600
Leases Payable	
Due within one year	134,232
Due in more than one year	198,477
Bonds Payable	
Due within one year	310,000
Due in more than one year	9,335,000
Unamortize Bond Premiums	2,013,051
Notes Payable	
Due within one year	50,648
Due in more than one year	222,466
Net OPEB Obligation - OEGB	449,725
Net Pension Liability	6,240,742
Total Liabilities	<u>20,530,541</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Pension Related Deferrals	5,461,442
OPEB Related Deferrals - RHIA	19,893
OPEB Related Deferrals - OEGB	173,209
Total Deferred Inflow of Resources	<u>5,654,544</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	3,929,848
Unrestricted	<u>(4,088,575)</u>
Total Net Position	<u>\$ (158,727)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

	<u>(Expenses)</u>	<u>Program Revenues</u>		<u>Net</u>
		<u>Charges</u>	<u>Operating</u>	<u>(Expense)</u>
<u>GOVERNMENTAL ACTIVITIES:</u>		<u>for</u>	<u>Grants and</u>	<u>Revenue</u>
		<u>Services</u>	<u>Contributions</u>	<u>and</u>
				<u>Change in</u>
				<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Instruction	\$ 6,199,263	\$ 102,117	\$ 1,685,434	\$ (4,411,712)
Support Services	5,162,393	-	691,702	(4,470,691)
Enterprise and Community Services	386,243	5,498	344,589	(36,156)
Interest on Long-Term Debt	184,475	-	-	(184,475)
Total Governmental Activities	<u>\$ 11,932,374</u>	<u>\$ 107,615</u>	<u>\$ 2,721,725</u>	<u>\$ (9,103,034)</u>

GENERAL REVENUES:

Local Sources:

Property Taxes, Levied for General Purposes	\$ 4,821,089
Property Taxes, Levied for Debt Service	687,213
Earnings on Investments	72,246
Unrestricted State and Local Revenue	187,601
Intermediate Sources	11,154
State School Fund for Education and Support Se:	5,599,863
State Common School Fund	78,648
Subtotal - General Revenues	11,457,814

Special Items:

Gain on Disposition of Assets	1,000
Change in Net Position	2,355,780
Net Position, July 1, 2021	(2,514,508)
Net Position, June 30, 2022	<u>\$ (158,727)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

CLATSKANIE SCHOOL DISTRICT NO. 6J

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2022

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern- mental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 3,038,956	\$ 493,510	\$ (21)	\$ 11,007,084	\$ 14,539,529
Property Taxes Receivable	205,371	-	32,244	-	237,615
Due From Other Governments	41,761	411,688	-	-	453,449
Prepaid Expenses	-	50,556	-	-	50,556
Total Assets	<u>\$ 3,286,088</u>	<u>\$ 955,754</u>	<u>\$ 32,223</u>	<u>\$ 11,007,084</u>	<u>\$ 15,281,149</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ -	\$ (30,654)	\$ -	\$ 472,385	\$ 441,731
Payroll Liabilities	968,477	39,892	-	-	1,008,369
Total Liabilities	<u>968,477</u>	<u>9,238</u>	<u>-</u>	<u>472,385</u>	<u>1,450,100</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	164,238	102,878	28,130	-	295,246
Total Deferred Inflows of Resources	<u>164,238</u>	<u>102,878</u>	<u>28,130</u>	<u>-</u>	<u>295,246</u>
FUND BALANCES:					
Committed for:					
Special Programs	-	843,638	-	-	843,638
Unassigned	2,153,373	-	4,093	10,534,699	12,692,165
Total Fund Balances	<u>2,153,373</u>	<u>843,638</u>	<u>4,093</u>	<u>10,534,699</u>	<u>13,535,803</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,286,088</u>	<u>\$ 955,754</u>	<u>\$ 32,223</u>	<u>\$ 11,007,084</u>	<u>\$ 15,281,149</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J

**RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2022

Total Fund Balances - Governmental Funds		\$ 13,535,803
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	\$ 20,260,487	
Accumulated depreciation	<u>(14,192,013)</u>	
Net Value of Capital Assets		6,068,474
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		295,246
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	4,605,778	
Deferred Earnings on Pension/OPEB Assets	<u>(5,654,544)</u>	
Net Value of Deferrals		(1,048,766)
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
These liabilities consist of :		
Accrued Interest Payable	2,612	
Leases Payable	332,710	
Bonds Payable	9,645,000	
Unamortized Bond Premium	2,013,051	
Notes Payable	273,114	
Net Pension Liability	6,240,742	
Net OPEB Obligations	378,769	
Accrued Vacation Benefits	59,887	
Early Retirement Benefits Payable	<u>63,600</u>	
Total		(19,009,485)
Net Position of Governmental Activities		<u>\$ (158,727)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2022

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Govern- mental Funds
<u>REVENUES:</u>					
Taxes	\$ 4,691,783	\$ -	\$ 678,388	\$ -	\$ 5,370,171
Tuition Charges	2,068	-	-	-	2,068
Earnings on Investments	15,232	-	-	56,713	71,945
Fees and Charges	21,423	52,368	-	-	73,791
Miscellaneous Revenue	260,480	477,131	-	-	737,611
Intermediate Government Aid	14,537	1,949	-	-	16,486
State Aid	5,680,440	1,000,561	-	-	6,681,001
Federal Aid	-	1,195,950	-	-	1,195,950
Total Revenues	10,685,963	2,727,959	678,388	56,713	14,149,023
<u>EXPENDITURES:</u>					
Current:					
Instruction	5,308,379	1,427,185	-	-	6,735,564
Support Services	4,023,862	815,237	-	156,529	4,995,628
Enterprise and Community Services	-	406,131	-	-	406,131
Capital Outlay:					
Facilities Acquisition and Construction	-	1,071	-	1,805,917	1,806,988
Debt Service	-	-	751,603	-	751,603
Total Expenditures	9,332,241	2,649,624	751,603	1,962,446	14,695,914
Excess (Deficiency) of Revenues Over Expenditures	1,353,722	78,335	(73,215)	(1,905,733)	(546,891)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	40,334	59,937	-	100,271
Interfund Transfers Out	-	(100,271)	-	-	(100,271)
Long Term Debt Financing Sources	-	275,889	-	12,186,228	12,462,117
Sale of or Compensation for Loss of Fixed Asset:	-	1,000	-	-	1,000
Total Other Financing Sources (Uses)	-	216,952	59,937	12,186,228	12,463,117
Net Change in Fund Balance	1,353,722	295,287	(13,278)	10,280,495	11,916,226
Beginning Fund Balance	799,651	548,351	17,371	254,204	1,619,577
Ending Fund Balance	\$ 2,153,373	\$ 843,638	\$ 4,093	\$ 10,534,699	\$ 13,535,803

The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2022

Net Changes in Fund Balances - Total Governmental Funds \$ 11,916,226

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 1,820,898	
Less current year depreciation	<u>(635,071)</u>	
		1,185,827

Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.

Deferred revenues increased by this amount this year.	138,131
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Gain (Loss) on disposition of capital assets is not reported in the fund financial statements. 1,000

Proceeds from Sales of Assets is not reported as income in the Statement of Activities (1,000)

Proceeds from loans are reported in the governmental funds as a source of financing.

The loan proceeds are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.

Bond Proceeds	(10,000,000)
Lease Purchase Proceeds	(275,890)
Proceeds from Bond Premium	(2,186,277)

Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.

Amount of current year amortization - Bond Premiums	<u>173,226</u>	173,226
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Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Retirement of principal is as follows:

Leases	186,320	
Bonds	355,000	
Notes	<u>48,804</u>	
		590,124

Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.

This is the net change in pension related items.	881,082
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

The activities consist of:

Net increase/(decrease) in accrued interest expense	(1,062)	
Increase/(decrease) in accrued OPEB	(52,264)	
Increase/(decrease) in accrued vacation and early retirement benefits	<u>(13,343)</u>	
		<u>(66,669)</u>

Change in Net Position of Governmental Activities **\$ 2,355,780**

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements – Fiduciary Funds

CLATSKANIE SCHOOL DISTRICT NO. 6J

STATEMENT OF FIDUCIARY NET POSITION

at June 30, 2022

	Custodial Funds
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 53,329
Total Assets	<u>\$ 53,329</u>
<u>NET POSITION:</u>	
Reserved for Scholarships and Grants	\$ 53,329
Total Net Position	<u>\$ 53,329</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION**

For the Fiscal Year Ended June 30, 2022

	Custodial Funds
<u>ADDITIONS:</u>	
Interest Earned	\$ 302
	<hr/>
Change in Net Position	302
Net Position, July 1, 2021	<hr/> 53,027
Net Position, June 30, 2022	<u><u>\$ 53,329</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

The accompanying notes to the basic financial statements are an integral part of this statement.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

Clatskanie School District No. 6J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected five-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of Clatskanie School District No. 6J have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, Clatskanie School District No. 6J complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, Clatskanie School District No. 6J has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund and accounts for all revenues and expenditures, except those required to be accounted for in another fund. Expenditure categories include salaries, associated payroll costs, purchased services, supplies and materials, capital outlay and other general expenses.

Special Revenue Fund – The Special Revenue Funds account for the uses of specific revenue sources that are legally restricted to specified purposes. Some examples of special revenue funds include restricted state or federal grants-in-aid and food service sales

Debt Service Fund – Oregon Budget Law requires the establishment of a Debt Service Fund when a bond levy is passed. These funds account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

Capital Projects Fund – The Capital Maintenance Funds accounts for activities related to the acquisition, construction, repairing and equipping of facilities

Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.):

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Receivables (Cont.)

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

Prepaid Expenses

The District has elected to report the amount paid to Oregon Public Employee Retirement System (PERS) to reduce the calculated unfunded pension liability obligation as a prepaid expense, as reported on the government-wide Statement of Net Position. The prepaid asset is to be amortized in the amounts and over the estimated length of time the unfunded portion of the pension obligation is expected be paid out to its current and former employees.

Inventory

Food & supplies inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	Estimated Years of Useful Lives
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Compensated Absences and Accrued Liabilities

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

Advances from Grantors

Amounts received for reimbursement-type grants in excess of District expenditures related to that grant are reported in the liability section of the government-wide statements as advances from grantors and are consequently not reported as revenues.

Long-Term Obligations

All bonds payable and capital leases payable are recognized in the government-wide financial statements as a liability of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on bonded debt and capital lease payments are recorded as a debt service in the expenditure section of the statement and schedules.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable**: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- **Restricted**: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has restricted funds for various projects that are to be used for educational purposes.
- **Committed**: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the Board of Directors, and does not lapse at year-end.
- **Assigned**: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned**: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)

June 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivables are due from property owners within the District.

Inter-Fund Transactions

In the fund financial statements, quasi-external transactions are accounted for as revenues or expenditures, while reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Notes to the Basic Financial Statements (Cont.)

June 30, 2022

CASH AND INVESTMENTS (Cont.):

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2022, the reported amount of the District's deposits, including \$53,329 held in trust as reported in the fiduciary statement of net position, was \$388,415, the bank balance was \$657,422. Of the bank balance, the entire amount was covered by federal depository insurance or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. Petty cash held by the district was \$1060.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2022, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2022, the District's deposits in financial institutions were as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government		
Investment Pool (LGIP)	<u>\$ 14,202,322</u>	N/A
Total Investments	<u>\$ 14,202,322</u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100 percent of the District's total investments.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2022:

Governmental Activities	Depreciable Assets Schedule For the Year 2022			Ending Balances
	Beginning Balances	Additions	Deletions	
Assets not being depreciated:				
Land	\$ 476,270	\$ -	\$ -	\$ 476,270
Construction in Progress	-	1,739,335	-	1,739,335
Total assets not being depreciated	476,270	1,739,335	-	2,215,605
Assets being depreciated:				
Building and Building Improvement	14,864,071	75,899	-	14,939,970
Machinery and Equipment	3,904,603	5,664	805,355	3,104,912
Total Depreciable Assets	18,768,674	81,563	805,355	18,044,882
Less: Accumulated Depreciation				
Building and Building Improvement	11,423,512	395,695	-	11,819,207
Machinery and Equipment	2,938,786	239,375	805,355	2,372,806
Total Accumulated Depreciation	14,362,297	635,071	805,355	14,192,013
Net Value of Capital Assets Being Depreciated	4,406,377	(553,508)	-	3,852,869
Total Governmental Activities -- Net Value of Capital Assets	\$ 4,882,647	\$ 1,185,827	\$ -	\$ 6,068,474

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 5,060
Support Services	630,011
Total Depreciation Expense	\$ 635,071

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

LONG-TERM DEBT:

General Obligation Bonds, Series 2021 - On June 15, 2017, the District entered into an Installment Purchase Agreement with U.S Bancorp in the amount of \$500,000 with an interest rate of 3.715%. As of June 30, 2018, \$500,000 in qualifying expenditures had been incurred and drawn down. The District agreed to repay the installment agreement in accordance with the terms of a payment schedule that begins on July 15, 2017 and concludes June 15, 2027, for the full amount of the agreement (\$500,000).

General Obligation Bonds, Series 2021 - On August 12, 2021 the District issued bonds in the amount of \$10,000,000. Annual payments are made on Dec 15 and June 15 until the final payment June 15, 2038. Bonds are held by US Bank National Association and have an interest rate of 4%.

Santander Bus Leases 25-26 - In 2019 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2020 Blue Bird Vision BBCV3310 71 Passenger School Busses. Annual payments of principal and interest will be made until the final payment on March 15, 2023.

Santander Bus Leases 27 - In 2020 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2021 Blue Bird T3FE School Bus. Annual payments of principal and interest are to be made until the final payment on March 15, 2024.

Santander Bus Leases 28 - In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2020 MicroBird G5 School Bus. Annual payments of principal and interest are to be made until the final payment on February 10, 2025.

Santander Bus Leases 29-30 - In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2023 Blue Bird AARE T3RE 72 Passenger busses. After an initial payment of \$82,768 annual payments of principal and interest are to be made until the final payment on July 15, 2025.

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2022

	Outstanding Balance July 1, 2021	New Issues	Principal Paid	Interest Paid	Outstanding Balance June 30, 2022	Due Within One Year
Leases Payable:						
Santander Bus Leases 25-26	\$ 90,940	\$ -	\$ 44,647	\$ 3,365	\$ 46,293	\$ 46,293
Santander Bus Leases 27	70,268	-	22,762	2,024	47,506	23,418
Santander Bus Leases 28	59,896	-	14,108	1,404	45,788	14,447
Santander Bus Leases 29-30	-	275,890	82,768	-	193,122	48,356
Santander Bus Leases 24	22,034	-	22,034	2,046	-	-
Total Leases Payable	\$ 243,139	\$ 275,890	\$ 186,320	\$ 8,839	\$ 332,710	\$ 132,513
Bonds Payable:						
General Obligations Bonds, Series 2021	\$ -	\$ 10,000,000	\$ 355,000	\$ 336,667	\$ 9,645,000	\$ 310,000
Total Bonds Payable	-	10,000,000	355,000	336,667	9,645,000	310,000
Notes Payable:						
Installment Purchase Agreement	\$ 321,918	\$ -	\$ 48,804	\$ 11,133	\$ 273,114	\$ 50,648
Total Notes Payable	\$ 321,918	\$ -	\$ 48,804	\$ 11,133	\$ 273,114	\$ 50,648
Total Long-Term Debt	\$ 565,057	10,275,890	\$ 590,124	\$ 356,639	\$ 10,250,824	\$ 493,161

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

LONG-TERM DEBT (Cont.):

The debt service requirements on the above debt are as follows:

Leases Payable:	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 132,513	\$ 7,418	\$ 139,931
	2024	88,325	3,617	91,941
	2025	66,700	1,481	68,181
	Total	<u>\$ 287,538</u>	<u>\$ 12,515</u>	<u>\$ 300,053</u>

Bonds Payable:	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 310,000	\$ 385,800	\$ 695,800
	2024	340,000	373,400	713,400
	2025	350,000	359,800	709,800
	2026	385,000	345,800	730,800
	2027	425,000	330,400	755,400
	2028 - 2032	2,760,000	1,364,200	4,124,200
	2033 - 2037	4,070,000	712,800	4,782,800
	2038 - 2042	1,005,000	40,200	1,045,200
	Total	<u>\$ 9,645,000</u>	<u>\$ 3,912,400</u>	<u>\$ 13,557,400</u>

Notes from Direct Borrowings:	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 50,648	\$ 9,289	\$ 59,937
	2024	52,562	7,375	59,937
	2025	54,548	9,905	64,453
	2026	56,609	3,328	59,937
	2027	58,748	1,189	59,937
	Total	<u>\$ 273,115</u>	<u>\$ 31,086</u>	<u>\$ 304,201</u>

The District has no unused lines of credit.

The District has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Information section of this report.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN:

Clatskanie School District no. 6J offers various retirement plans to qualified employees as described below.

Name of Pension Plan

Clatskanie School District no. 6J participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, (adjusted to \$3,333/month in House Bill 2906 effective June 2021), a portion of their 6 percent monthly IAP contributions will be redirected to an “Employee Pension Stability Account.” The Employee Pension Stability Account will be used to pay for part of the member’s future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member’s salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member’s existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member’s birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member’s account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 900 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions for the year ended June 30, 2022 were \$1,335,844 excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2021 to June 30, 2023 are: Tier1/Tier2 – 26.83%, and OPSRP General Service – 23.72%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2021-2022, approximately \$47,000 in employee IAP contributions were paid or picked up by the District.

Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

For **Oregon PERS Defined Benefit Plans**, based on the actuarial valuation as of December 31, 2019, the state agencies, the judiciary, schools, and political subdivisions had decreases in employer contribution rates on July 1, 2021. These rate changes are measured against the actual average rates paid since the last rate-setting valuation. Every two years, the PERS Board adjusts contributions so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2022, PERS employers contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. These rates were based on the December 31, 2017, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2021

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.8%
Public Equity	27.5% - 37.5%	32.5%	Public Equity	29.4%
Real estate	9.5% - 15.5%	12.5%	Real estate	10.5%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	25.1%
Alternative Equity	7.5% - 17.5%	15.0%	Alternative Equity	9.5%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.3%
Risk Parity	0.0% - 2.5%	2.5%	Risk Parity	2.4%
Total		<u>100%</u>	Total	<u>100%</u>

¹Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

²Based on the actual investment value at 6/30/2021.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return¹</u>	Target	Annual	20-Year	Annual
Asset Class	Allocation	Arithmetic	Annualized	Standard
		Return ²	Geometric Mean	Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash ³	-2.50%	1.77%	1.76%	1.20%
Assumed Inflation - Mean			2.40%	1.65%

¹Based on the Oregon Investment Council’s (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on June 2, 2021.

²The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³Negative allocation to cash represents leveraged exposure from allocation to Risk Parity strategy.

Sensitivity Analysis

The following presents the employer’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 12,255,324	\$ 6,240,742	\$ 1,208,719

Changes in Assumptions

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2021 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31,2020 actuarial valuation.

Changes in Assumptions

There were no changes in actuarial methods and allocation procedures since the December 31,2020 actuarial valuation.

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2018 and 2019 Valuations	Recommended December 31, 2020 and 2021 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male beneficiary)	Teachers, no set back	Blend 80% Teachers and 20% General Employees, no set back
Police & Fire male	General Employees, set back 12 months	No change
School District female	Public Safety, no set back	No change
Other female (and female beneficiary)	Teachers, no set back	No change
Police & Fire female	General Employees, no set back	No change
	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	120% of same table and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Other General Service male	115% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Healthy Annuitant assumption	No change
School District female	100% of same table and set back as Healthy Annuitant assumption	No change
Other General Service female	125% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Healthy Annuitant assumption	No change

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2021, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2021 Oregon PERS ACFR.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2022, the employer reported a liability of \$6,240,742 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

PENSION PLAN (Cont.):

At June 30, 2021 the employer's proportion was 0.05215186%

For the year ended June 30, 2022, the employer recognized pension expense of \$775,100. As of June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 584,174	\$ -
Changes of assumptions	1,562,246	16,424
Net difference between projected and actual earnings on investments	-	4,619,973
Changes in proportionate share	429,205	825,045
Differences between employer contributions and employer's proportionate share of system contributions	326,215	-
Total Deferred Outflows/Inflows	\$ 2,901,840	\$ 5,461,442
Post-measurement date contributions	1,656,981	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 4,558,821	\$ 5,461,442
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		(2,559,602)

Contributions of 1,562,246, for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (442,567)
2nd Fiscal Year	(475,892)
3rd Fiscal Year	(745,976)
4th Fiscal Year	(1,077,141)
5th Fiscal Year	181,974
Thereafter	-
Total	\$ (2,559,602)

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2021, state agencies contributed 0.06 and 0.12 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPA benefits, respectively. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2022, 2021, and 2020 were \$471, \$553, and \$2,429 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:

<https://sos.oregon.gov/audits/Documents/2022-09.pdf>

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions Used in Developing Total OPEB (RHIA) Liability:

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 32% Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Table 31 on page 74 shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Sensitivity Analysis

The following presents the employer’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the employer’s proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	\$ (62,750)	\$ (70,956)	\$ (77,966)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2022, the District reported a net OPEB RHIA liability/(asset) of \$(70,956) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021, the District’s proportion was 0.02066272 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2022 was \$1,271.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,974
Changes of assumptions	1,396	1,056
Net difference between projected and actual earnings on investments	-	16,863
Changes in proportionate share	19,154	-
Total Deferred Outflows/Inflows	\$ 20,550	\$ 19,893
Post-measurement date contributions	471	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 21,021	\$ 19,893
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		657

Contributions of \$471 for RHIA OPEB were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 6,495
2nd Fiscal Year	3,340
3rd Fiscal Year	(3,850)
4th Fiscal Year	(5,328)
5th Fiscal Year	-
Thereafter	-
Total	\$ 657

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB:

OEGB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2022, the District reported a an estimated net OPEB liability/(asset) of \$449,725 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of July 1, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. Based on As of the measurement date of June 30, 2022, the District’s estimated OPEB expense/(income) for the year ended June 30, 2022 was \$51,523.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):

Actuarial Methods and Assumptions - The District engaged an actuary to perform an evaluation as of July 1, 2021 using entry age normal Actuarial Cost Method. The District is responsible for the selection of assumptions, and were developed in consultation with Milliman Consulting, Inc. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Discount Rate	2.21%	2.16%	3.54%
Other Key Actuarial Assumptions and Methods			
Valuation date	July 1, 2021	July 1, 2021	July 1, 2021
Measurement date	June 30, 2020	June 30, 2021	June 30, 2022
Inflation	2.50%	2.40%	2.40%
Salary increases	3.50%	3.40%	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2018 Oregon PERS valuation 50% of eligible employees	December 31, 2020 Oregon PERS valuation 50% of eligible employees	December 31, 2020 Oregon PERS valuation 50% of eligible employees
Election and Lapse Rates	50% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	50% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	50% of eligible employees, 60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost, and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

The Discount Rate

Discount Rate - The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The discount rate in effect for the June 20, 2022 reporting date is 2.16%.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Mortality rates were based on the Pub -2010 Mortality Table – Teachers with Mortality Improvement using Scale MP-2020. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Election at Retirement - 50% of active employees are assumed to elect coverage at retirement. 60% of active employee males, and 35% active employee females are assumed to be married and elect spousal coverage upon retirement.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability from Implicit Rate Subsidy	\$ 486,241	\$ 449,725	\$ 415,219
Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 393,824	\$ 449,725	\$ 516,864

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB (Cont.):

Participation

The following table represents the number of the District's covered participants:

As of Valuation Date	July 1, 2021
Active Employees	115
Eligible Retirees	3
Spouses of Ineligible Retirees	0
Total Participants	118
Spouses of Eligible Retirees	0

Changes in Net (OPEB) OEGB Liability

Changes in Total OPEB Liability June 30, 2021 to June 30, 2022	Increase (Decrease) Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	\$	\$	\$
Balance per actuarial as of June 30, 2018	505,760	-	505,760
Changes for the year:			
Service Cost	68,219	-	68,219
Interest	12,322	-	12,322
Effect of changes to benefit terms	-	-	-
Effect of economic/ demographic gains or losses	(64,111)	-	(64,111)
Changes in assumptions or other inputs	(39,459)	-	(39,459)
Employer Contributions	-	-	-
Benefit payments	(33,007)	-	(33,007)
Net OPEB Liability per actuarial at June 30, 2022	449,725	-	449,725

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Cont.):

Components of OPEB Expense

	July 1, 2021 to June 30, 2022
OPEB Expense	
Service cost	\$ 68,219
Interest on total OPEB liability	12,322
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(21,875)
Recognition of assumption changes	(7,143)
Administrative Expense	n/a*
OPEB Expense	\$ 51,523

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 116,220
Changes of assumptions or inputs	25,936	56,989
Total Deferred Outflows/Inflows (prior to post-measurement date contributions)	\$ 25,936	\$ 173,209
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		(147,273)

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (29,018)
2nd Fiscal Year	(29,018)
3rd Fiscal Year	(28,678)
4th Fiscal Year	(25,464)
5th Fiscal Year	(18,278)
Thereafter	(16,817)
Total	\$ (147,273)

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school district and special districts in the state, which are members of Special Districts of Oregon (SDOA). SDOA oversees the Special Districts Insurance Services Trust, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay SDOA an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

CLATSKANIE SCHOOL DISTRICT NO. 6J
Notes to the Basic Financial Statements (Cont.)
June 30, 2022

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund receivables and payables, reported in the financial statements as due from other funds and due to other funds for the year ended June 30, 2022, were as follows: None.

Interfund transfers for the year ended June 30, 2022, were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
Special Revenue Fund #200	100,271	40,334
Debt Service Fund #300	-	59,937
Total	<u>\$ 100,271</u>	<u>\$ 100,271</u>

The transfer out of the special revenue fund to the debt service fund was made to provide funds for repayment of capital leases and other long-term debt not provided for by taxes and other services provided.

OVER EXPENDITURE OF APPROPRIATIONS

The Districts overspent appropriations in the General Fund (Instruction) and the Special Revenue Fund (Support Services)

REQUIRED
SUPPLEMENTARY
INFORMATION

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

GENERAL FUND

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Taxes	\$ 3,628,545	\$ 3,628,545	\$ 4,691,783	\$ 1,063,238
Tuition Charges	640	640	2,068	1,428
Earnings on Investments	10,000	10,000	15,232	5,232
Fees and Charges	15,000	15,000	21,423	6,423
Miscellaneous Revenue	226,904	226,904	260,480	33,576
Intermediate Government Aid	81,000	81,000	14,537	(66,463)
State Aid	4,908,125	4,908,125	5,680,440	772,315
Total Revenues	8,870,214	8,870,214	10,685,963	1,815,749
<u>EXPENDITURES:</u>				
Instruction	5,287,071	5,287,071	5,308,379	21,308
Support Services	4,130,221	4,130,221	4,023,862	(106,359)
Facilities Acquisition and Construction	2,000	2,000	-	(2,000)
Contingency	50,922	50,922	-	(50,922)
Total Expenditures	9,470,214	9,470,214	9,332,241	(137,973)
Excess (Deficiency) of Revenues Over Expenditures	(600,000)	(600,000)	-	1,953,722
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	200,000	200,000	-	(200,000)
Net Change in Fund Balance	(400,000)	(400,000)	1,353,722	1,753,722
Beginning Fund Balance	400,000	400,000	799,651	399,651
Ending Fund Balance	\$ -	\$ -	\$ 2,153,373	\$ 2,153,373

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts	Final Budget
			(Budgetary Basis)	Over
			(See Note 1)	(Under)
<u>REVENUES:</u>				
Fees and Charges	\$ 38,702	\$ 38,702	\$ 52,368	\$ 13,666
Miscellaneous Revenue	528,962	528,962	477,131	(51,831)
Intermediate Government Aid	2,381	2,381	1,949	(432)
State Aid	2,267,248	2,267,248	1,000,561	(1,266,687)
Federal Aid	977,560	1,294,963	1,195,950	(99,013)
Total Revenues	3,814,853	4,132,256	2,727,959	(1,404,297)
<u>EXPENDITURES:</u>				
Instruction	2,765,750	2,076,411	1,427,185	(649,226)
Support Services	352,716	595,803	815,237	219,434
Enterprise and Community Services	529,957	453,890	406,131	(47,759)
Facilities Acquisition and Construction	5,200	3,781	1,071	(2,710)
Contingency	269,949	427,964	-	(427,964)
Total Expenditures	3,923,572	3,557,849	2,649,624	(908,225)
Excess (Deficiency) of Revenues Over Expenditures	(108,719)	574,407	78,335	(496,072)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	103,420	103,420	40,334	(63,086)
Interfund Transfers Out	(450,717)	(363,357)	(100,271)	263,086
Long Term Debt Financing Sources	-	-	275,889	275,889
Sale of or Compensation for Loss of	-	-	1,000	1,000
Total Other Financing Sources (Uses)	(347,297)	(259,937)	216,952	476,889
Net Change in Fund Balance	(456,016)	314,470	295,287	(19,183)
Beginning Fund Balance	456,016	456,016	548,351	92,335
Ending Fund Balance	\$ -	\$ 770,486	\$ 843,638	\$ 73,152

CLATSKANIE SCHOOL DISTRICT NO. 6J

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

PERS

Last 10 Fiscal Years*

Measurement Date June 30,	(a)	(b)	(c)	(b/c)	
	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.05215186%	\$ 6,240,742	\$ 5,344,426	116.77%	87.6%
2021	0.05041284%	11,001,816	4,724,463	232.87%	75.8%
2020	0.05871171%	10,155,720	4,731,663	214.63%	80.2%
2019	0.05000000%	8,329,017	4,687,509	177.69%	82.1%
2018	0.06000000%	7,680,826	3,974,980	193.23%	83.1%
2017	0.06000000%	9,484,115	3,705,226	255.97%	80.5%
2016	0.08000000%	4,446,102	4,018,077	110.65%	91.9%
2015	0.08000000%	\$ (1,772,705)	\$ 4,066,082	-43.60%	103.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 1,656,981	\$ 1,656,981	\$ -	\$ 5,344,426	31.00%
2021	1,386,368	1,386,368		4,724,463	29.34%
2020	1,313,226	1,313,226		4,731,663	27.75%
2019	1,042,697	1,042,697	-	4,687,509	22.24%
2018	1,028,688	1,028,688	-	3,974,980	25.88%
2017	760,547	760,547	-	3,705,226	20.53%
2016	675,234	675,234	-	4,018,077	16.80%
2015	\$ 798,185	\$ 798,185	\$ -	\$ 4,066,082	19.63%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.02066272%	\$ (70,956)	\$ 5,344,426	-1.33%	183.9%
2021	0.03401325%	(69,305)	4,724,463	-1.47%	150.1%
2020	0.03973319%	(76,779)	4,731,663	-1.62%	144.4%
2019	0.04059332%	(45,313)	4,687,509	-0.97%	124.0%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 471	\$ 471	\$ -	\$ 5,344,426	0.01%
2020	553	553	-	4,724,463	0.01%
2020	2,429	2,429	-	4,731,663	0.05%
2019	\$ 19,655	\$ 19,655	\$ -	\$ 4,687,509	0.42%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CLATSKANIE SCHOOL DISTRICT NO. 6J

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS**

OREGON EDUCATORS BENEFIT BOARD

Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability				
Service cost	\$ 68,219	\$ 60,180	\$ 56,112	\$ 55,286
Interest on total OPEB liability	12,322	16,259	20,843	19,647
Effect of changes to benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	(64,111)	35,200	(100,406)	-
Effect of assumption changes or inputs	(39,458)	-	(12,465)	(10,993)
Benefit payments	(33,007)	(20,323)	(63,610)	(86,214)
Net change in total OPEB liability *	(56,035)	91,316	(99,526)	(22,274)
Total OPEB liability, beginning	505,760	414,444	513,970	536,244
Total OPEB liability, ending (a) *	449,725	505,760	414,444	513,970
Covered payroll	\$ 5,344,426	\$ 4,724,463	\$ 4,731,663	\$ 4,687,509
Total OPEB liability as a % of covered payroll **	8.4%	7.6%	7.6%	7.6%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* Totals may not agree due to rounding.

SUPPLEMENTARY
INFORMATION

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Debt Service Fund #300

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Taxes	\$ 698,248	\$ 698,248	\$ 678,388	\$ (19,860)
Total Revenues	698,248	698,248	678,388	(19,860)
<u>EXPENDITURES:</u>				
Debt Service	758,185	758,185	751,603	(6,582)
Total Expenditures	758,185	758,185	751,603	(6,582)
Excess (Deficiency) of Revenues Over Expenditures	(59,937)	(59,937)	(73,215)	(13,278)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	59,937	59,937	59,937	-
Total Other Financing Sources (Uses)	59,937	59,937	59,937	-
Net Change in Fund Balance	-	-	(13,278)	(13,278)
Beginning Fund Balance	-	-	17,371	17,371
Ending Fund Balance	\$ -	\$ -	\$ 4,093	\$ 4,093

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Earnings on Investments	\$ -	\$ 50,000	\$ 56,713	\$ 6,713
State Aid	6,000,000	4,000,000	-	(4,000,000)
Total Revenues	6,000,000	4,050,000	56,713	(3,993,287)
<u>EXPENDITURES:</u>				
Support Services	16,138,182	280,000	156,529	(123,471)
Facilities Acquisition and Construction	-	16,036,228	1,805,917	(14,230,311)
Contingency	-	58,182	-	(58,182)
Total Expenditures	16,138,182	16,374,410	1,962,446	(14,411,964)
Excess (Deficiency) of Revenues Over Expenditures	(10,138,182)	(12,324,410)	(1,905,733)	10,418,677
<u>OTHER FINANCING SOURCES (USES):</u>				
Long Term Debt Financing Sources	10,000,000	12,186,228	12,186,228	-
Total Other Financing Sources (Uses)	10,000,000	12,186,228	12,186,228	-
Net Change in Fund Balance	(138,182)	(138,182)	10,280,495	10,418,677
Beginning Fund Balance	138,182	138,182	254,204	116,022
Ending Fund Balance	\$ -	\$ -	\$ 10,534,699	\$ 10,534,699

CLATSKANIE SCHOOL DISTRICT NO. 6J

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Trust and Agency #700

For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Earnings on Investments	\$ 430	\$ 430	\$ 302	\$ (128)
Total Revenues	430	430	302	(128)
<u>EXPENDITURES:</u>				
Enterprise and Community Service	53,530	53,530	-	(53,530)
Total Expenditures	53,530	53,530	-	(53,530)
Net Change in Fund Balance	(53,100)	(53,100)	302	53,402
Beginning Fund Balance	53,100	53,100	53,027	(73)
Ending Fund Balance	\$ -	\$ -	\$ 53,329	\$ 53,329

OTHER
INFORMATION

Additional Supporting Schedules

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

Installment Purchase Agreement

On June 15, 2017, the District entered into an Installment Purchase Agreement with U.S. Bancorp in the amount of \$500,000 with an interest rate of 3.715%. As of June 30, 2018, \$500,000 in qualifying expenditures had been incurred and drawn down. The District agreed to repay the installment agreement in accordance with the terms of a payment schedule that begins on July 15, 2017 and concludes June 15, 2027, for the full amount of the agreement (\$500,000).

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 321,918	\$ -	\$ 48,804	\$ 273,114	\$ 50,648
Interest	-	11,133	11,133	-	9,289
Total	<u>\$ 321,918</u>	<u>\$ 11,133</u>	<u>\$ 59,937</u>	<u>\$ 273,114</u>	<u>\$ 59,937</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 50,648	\$ 9,289	\$ 59,937	1.78%
	2024	52,562	7,375	59,937	0.00%
	2025	54,548	9,905	64,453	0.00%
	2026	56,609	3,328	59,937	0.00%
	2027	58,748	1,189	59,937	0.00%
Total		<u>\$ 273,115</u>	<u>\$ 31,086</u>	<u>\$ 304,201</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

General Obligations Bonds, Series 2021

On August 12, 2021 the District issued bonds in the amount of \$10,000,000. Annual payments are made on Dec 15 and June 15 until the final payment June 15, 2038. Bonds are held by US Bank National Association and have an interest rate of 4%.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ -	\$ 10,000,000	\$ 355,000	\$ 9,645,000	\$ 310,000
Interest	-	336,667	336,667	-	385,800
Total	\$ -	\$ 10,336,667	\$ 691,667	\$ 9,645,000	\$ 695,800

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 310,000	\$ 385,800	\$ 695,800	4.00%
	2024	340,000	373,400	713,400	4.00%
	2025	350,000	359,800	709,800	4.00%
	2026	385,000	345,800	730,800	4.00%
	2027	425,000	330,400	755,400	4.00%
	2028	465,000	313,400	778,400	4.00%
	2029	505,000	294,800	799,800	4.00%
	2030	550,000	274,600	824,600	4.00%
	2031	595,000	252,600	847,600	4.00%
	2032	645,000	228,800	873,800	4.00%
	2033	700,000	203,000	903,000	4.00%
	2034	755,000	175,000	930,000	4.00%
	2035	810,000	144,800	954,800	4.00%
	2036	870,000	112,400	982,400	4.00%
	2037	935,000	77,600	1,012,600	4.00%
	2038	1,005,000	40,200	1,045,200	0.00%
Total		\$ 9,645,000	\$ 3,912,400	\$ 13,557,400	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

Santander Bus Leases 25-26

In 2019 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2020 Blue Bird Vi-sion BBCV3310 71 Passenger School Busses. Annual payments of principal and interest will be made until the final payment on March 15, 2023.

Current Year Activity:

	Outstanding Balance July 1, 2021	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2022	Due Within One Year
Principal	\$ 90,940	\$ -	\$ 44,647	\$ 46,293	\$ 46,293
Interest	-	3,365	3,365	-	1,719
Total	<u>\$ 90,940</u>	<u>\$ 3,365</u>	<u>\$ 48,012</u>	<u>\$ 46,293</u>	<u>\$ 48,012</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 46,293	\$ 1,719	\$ 48,012	0.00%
Total		<u>\$ 46,293</u>	<u>\$ 1,719</u>	<u>\$ 48,012</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

Santander Bus Leases 27

In 2020 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2021 Blue Bird T3FE School Bus. Annual payments of principal and interest are to be made until the final payment on March 15, 2024.

Current Year Activity:

	Outstanding Balance <u>July 1, 2021</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2022</u>	Due Within One Year
Principal	\$ 70,268	\$ -	\$ 22,762	\$ 47,506	\$ 23,418
Interest	-	2,024	2,024	-	1,368
Total	<u>\$ 70,268</u>	<u>\$ 2,024</u>	<u>\$ 24,786</u>	<u>\$ 47,506</u>	<u>\$ 24,786</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 23,418	\$ 1,368	\$ 24,786	0.00%
	2024	24,088	698	24,786	0.00%
Total		<u>\$ 47,506</u>	<u>\$ 2,066</u>	<u>\$ 49,572</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2022

Santander Bus Leases 28

In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 1 2020 MicroBird G5 School Bus. Annual payments of principal and interest are to be made until the final payment on February 10, 2025.

Current Year Activity:

	Outstanding Balance <u>July 1, 2021</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Principal	\$ 59,896	\$ -	\$ 14,108	\$ 45,788	\$ 14,447
Interest	-	1,404	1,404	-	1,066
Total	<u>\$ 59,896</u>	<u>\$ 1,404</u>	<u>\$ 15,512</u>	<u>\$ 45,788</u>	<u>\$ 15,513</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2023	\$ 14,447	\$ 1,066	\$ 15,513	0.00%
	2024	14,794	719	15,512	0.00%
	2025	16,144	368	16,512	0.00%
Total		<u>\$ 45,384</u>	<u>\$ 2,153</u>	<u>\$ 47,537</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2022

Santander Bus Leases 29-30

In 2021 the District entered into a 5-year lease agreement financed by Santander Bank N.A. to purchase 2 2023 Blue Bird AARE T3RE 72 Passenger busses. After an initial payment of \$82,768 annual payments are to be made until the final payment on July 15, 2025.

Current Year Activity:

	<u>Outstanding Balance July 1, 2021</u>	<u>New Issues and Interest Matured</u>	<u>Principal and Interest Retired</u>	<u>Outstanding Balance June 30, 2022</u>	<u>Due Within One Year</u>
Principal	\$ -	\$ 275,890	\$ 82,768	\$ 193,122	\$ 48,356
Interest	-	-	-	-	3,265
Total	<u>\$ -</u>	<u>\$ 275,890</u>	<u>\$ 82,768</u>	<u>\$ 193,122</u>	<u>\$ 51,620</u>

Future Requirements:

	<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
	2023	\$ 48,356	\$ 3,265	\$ 51,620	0.00%
	2024	49,443	2,200	51,643	0.00%
	2025	50,556	1,113	51,669	0.00%
Total		<u>\$ 148,354</u>	<u>\$ 6,578</u>	<u>\$ 154,933</u>	

CLATSKANIE SCHOOL DISTRICT NO. 6J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2022

SUPPLEMENTAL INFORMATION 2021-2022

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel, and water & sewage
for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 174,802
Function 2550	\$ 4,126

C. Replacement of Equipment - General Fund:

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

- 1113,1122 & 1132
- 1140
- 1300
- 1400

- Extra-curricular Activities
- Pre-Kindergarten
- Continuing Education
- Summer School

Exclude these functions:

- 4150 Construction
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services

\$	-
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*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.

CLATSKANIE SCHOOL DISTRICT NO. 6J

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2022

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 4,691,065	\$ -	\$ 678,284	\$ -	\$ -
1190 Penalties and Interest on Taxes	718	-	103	-	-
1411 Transportation Fees - From Individuals	1,676	-	-	-	-
1500 Earnings on Investments	15,232	-	-	56,713	302
1600 Food Service	-	5,498	-	-	-
1700 Extracurricular Activities	21,423	46,870	-	-	-
1910 Rentals	5,000	-	-	-	-
1920 Contributions and Donations From Private Sources	-	468,253	-	-	-
1960 Recovery of Prior Years' Expenditure	26,460	297	-	-	-
1990 Miscellaneous	229,412	8,580	-	-	-
Total Revenue from Local Sources	\$ 4,990,985	\$ 529,498	\$ 678,388	\$ 56,713	\$ 302

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
2101 County School Funds	\$ 11,154	\$ -	\$ -	\$ -	\$ -
2200 Restricted Revenue	2,381	1,949	-	-	-
2800 Revenue in Lieu of Taxes	1,002	-	-	-	-
Total Revenue from Intermediate Sources	\$ 14,537	\$ 1,949	\$ -	\$ -	\$ -

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
3101 State School Fund - General Support	\$ 5,536,311	\$ -	\$ -	\$ -	\$ -
3103 Common School Fund	78,648	-	-	-	-
3104 State Managed County Timber	63,552	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	106,436	-	-	-
3299 Other Restricted Grants-In-Aid	1,929	894,125	-	-	-
Total Revenue from State Sources	\$ 5,680,440	\$ 1,000,561	\$ -	\$ -	\$ -

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
4300 Restricted Revenue From the Federal Government	\$ -	\$ 4,000	\$ -	\$ -	\$ -
4500 Restricted Revenue From the Federal Government Through the State	\$ -	\$ 1,156,861	\$ -	\$ -	\$ -
4900 Revenue for/on Behalf of the District	-	35,089	-	-	-
Total Revenue from Federal Sources	\$ -	\$ 1,195,950	\$ -	\$ -	\$ -

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700
5100 Long Term Debt Financing Sources	-	275,889	-	12,186,228	-
5200 Interfund Transfers	\$ -	\$ 40,334	\$ 59,937	\$ -	\$ -
5300 Sale of or Compensation for Loss of Fixed Assets	-	1,000	-	-	-
5400 Resources - Beginning Fund Balance	799,651	548,351	17,371	254,204	53,027
Total Revenue from Other Sources	\$ 799,651	\$ 865,574	\$ 77,308	\$ 12,440,432	\$ 53,027
Grand Total	\$ 11,485,614	\$ 3,593,532	\$ 755,696	\$ 12,497,145	\$ 53,329

CLATSKANIE SCHOOL DISTRICT NO. 6J
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2022

FUND: General Fund #100

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 600
1111	Elementary, K-5 or K-6	\$1,760,746	\$ 1,081,945	\$ 627,162	\$ 21,842	\$ 29,797	\$ -
1121	Middle/Junior High Programs	486,227	310,278	171,690	2,969	1,291	-
1122	Middle/Junior High School Extracurricular	9,563	3,235	1,046	5,182	-	100
1131	High School Programs	1,213,886	772,922	412,842	14,158	13,814	150
1132	High School Extracurricular	182,788	77,685	19,821	64,948	13,272	7,063
1210	Programs for the Talented and Gifted	2,188	-	-	120	2,068	-
1220	Restrictive Programs for Students with Disabilities	670,612	370,201	219,552	77,088	3,770	-
1250	Less Restrictive Programs for Students with Disabilities	952,232	517,857	418,689	2,882	3,490	9,314
1272	Title I	23,517	17,230	5,514	-	773	-
1280	Alternative Education	4,780	-	-	4,780	-	-
1299	Other Programs	1,818	1,385	433	-	-	-
1400	Summer School Programs	20	15	5	-	-	-
Total Instruction Expenditures		\$5,308,379	\$ 3,152,753	\$ 1,876,754	\$ 193,969	\$ 68,275	\$ 16,627
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 600
2120	Guidance Services	108,945	68,429	40,516	-	-	-
2130	Health Services	70,477	34,654	21,982	8,021	5,819	-
2140	Psychological Services	90,000	-	-	90,000	-	-
2150	Speech Pathology and Audiology Services	127,026	-	-	126,667	359	-
2190	Service Direction, Student Support Services	251,611	148,720	97,473	3,850	973	595
2220	Educational Media Services	109,463	67,606	41,006	113	738	-
2240	Instructional Staff Development	20,909	5,548	13,766	1,595	-	-
2310	Board of Education Services	181,005	-	-	47,243	272	133,490
2320	Executive Administration Services	274,519	162,444	97,460	11,022	2,790	804
2410	Office of the Principal Services	617,663	397,765	210,742	5,924	2,042	1,190
2520	Fiscal Services	378,516	185,885	131,694	43,090	10,988	6,860
2540	Operation and Maintenance of Plant Services	725,440	253,380	117,636	300,348	53,763	314
2550	Student Transportation Services	924,625	488,302	291,864	9,395	121,396	13,668
2640	Staff Services	15,142	-	4,360	10,217	-	565
2660	Technology Services	117,009	51,456	41,419	13,733	10,252	150
2700	Supplemental Retirement Program	11,512	22,800	(11,288)	-	-	-
Total Support Services Expenditures		\$4,023,862	\$ 1,886,988	\$ 1,098,630	\$ 671,218	\$ 209,391	\$ 157,635
Grand Total		\$9,332,241	\$ 5,039,741	\$ 2,975,384	\$ 865,187	\$ 277,667	\$ 174,262

CLATSKANIE SCHOOL DISTRICT NO. 6J

Audit Expenditure Summary-Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2022

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 450,988	\$ 282,848	\$ 111,471	\$ 21,976	\$ 34,693	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	61,338	26,909	3,540	16,877	14,013	-	-	-
1121 Middle/Junior High Programs	133,617	76,357	44,881	5,956	6,424	-	-	-
1122 Middle/Junior High School Extracurricular	(762)	-	-	217	(980)	-	-	-
1131 High School Programs	271,483	143,071	49,333	15,586	57,830	5,664	-	-
1132 High School Extracurricular	29,442	-	-	12,410	16,087	-	945	-
1140 Pre-Kindergarten Programs	1,018	-	-	-	1,018	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Less Restrictive Programs for Students with Disabilities	245,984	134,082	105,621	-	6,282	-	-	-
1250	40,000	-	-	40,000	-	-	-	-
1272 Title I	145,302	85,165	60,137	-	-	-	-	-
1280 Alternative Education	23,800	-	-	23,800	-	-	-	-
1299 Other Programs	4,000	3,014	986	-	-	-	-	-
1400 Summer School Programs	20,975	10,094	2,862	8,019	-	-	-	-
Total Instruction Expenditures	\$ 1,427,185	\$ 761,539	\$ 378,831	\$ 144,840	\$ 135,366	\$ 5,664	\$ 945	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 17,429	\$ -	\$ -	\$ 9,900	\$ 7,529	\$ -	\$ -	\$ -
2130 Health Services	\$ 17,600	\$ -	\$ -	\$ 17,600	\$ -	\$ -	\$ -	\$ -
2220 Educational Media Services	987	-	-	-	987	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	62,309	18,613	13,292	18,880	11,524	-	-	-
2310 Board of Education Services	4,924	-	-	4,924	-	-	-	-
2320 Executive Administration Services	4,186	2,500	1,187	499	-	-	-	-
2410 Office of the Principal Services	4,362	1,146	716	2,500	-	-	-	-
2490 Other Support Services - School Administration	496	376	120	-	-	-	-	-
2520 Fiscal Services	12,103	7,500	3,364	-	-	-	1,238	-
2540 Operation and Maintenance of Plant Services	123,894	5,041	767	3,407	11,630	103,049	-	-
2550 Student Transportation Services	520,762	6,219	2,803	-	-	316,583	195,158	-
2610 Direction of Central Support Services	449	-	449	-	-	-	-	-
2640 Staff Services	9,925	-	-	-	9,925	-	-	-
2660 Technology Services	35,813	5,886	2,554	4,680	15,699	6,994	-	-
Total Support Services Expenditures	\$ 815,237	\$ 47,280	\$ 25,250	\$ 62,390	\$ 57,294	\$ 426,627	\$ 196,396	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 405,369	\$ 144,155	\$ 113,050	\$ 68	\$ 143,935	\$ -	\$ 4,161	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	761	-	-	-	761	-	-	-
Total Enterprise and Community Services Expenditures	\$ 406,131	\$ 144,155	\$ 113,050	\$ 68	\$ 144,696	\$ -	\$ 4,161	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4120 Site Acquisition and Development Services	1,071	-	-	-	1,071	-	-	-
Total Facilities Acquisition and Construction	\$ 1,071	\$ -	\$ -	\$ -	\$ 1,071	\$ -	\$ -	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	\$ 100,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,271
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAI Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 100,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,271
Grand Total	\$ 2,749,895	\$ 952,974	\$ 517,131	\$ 207,298	\$ 338,427	\$ 432,291	\$ 201,502	\$ 100,271

CLATSKANIE SCHOOL DISTRICT NO. 6J

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2022

FUND: Debt Service Fund #300

Other Uses Expenditures

5100 Debt Service
5200 Transfers of Funds
5300 Apportionment of Funds by ESD
5400 PERS UAL Bond Lump Sum

Total Other Uses Expenditures

Grand Total

Totals	Object 600
\$ 751,603	\$ 751,603
\$ -	\$ -
\$ -	\$ -
-	-
\$ 751,603	\$ 751,603
\$ 751,603	\$ 751,603

CLATSKANIE SCHOOL DISTRICT NO. 6J

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2022

FUND: Capital Projects Fund #400

2520	Fiscal Services	156,529	-	-	-	156,529
	Total Support Services Expenditures	\$ 156,529	\$ -	\$ -	\$ -	\$ 156,529

Facilities Acquisition and Construction Expenditures

	Totals	Object 300	Object 400	Object 500	Object 600	
4150	Building Acquisition, Construction, and Improvement Services	\$ 1,805,424	\$ 65,984	\$ -	\$ 1,739,335	105
4190	Other Facilities Construction Services	493	-	493	-	-

Total Facilities Acquisition and Construction Expenditures

\$ 1,805,917 \$ 65,984 \$ 493 \$ 1,739,335 \$ 105

Grand Total

\$ 1,962,446 \$ 65,984 \$ 493 \$ 1,739,335 \$ 156,634

REPORT ON LEGAL AND OTHER REGULATORY
REQUIREMENTS



To the Governing Body of the Clatskanie School District No. 6J
Clatskanie, Oregon

We have audited the basic financial statements of the Clatskanie School District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 28, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Clatskanie School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for:

- **Over expenditure of appropriations in two funds**

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of Clatskanie School District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read 'Steve Tuhscherer', is written over a faint horizontal line.

Steve Tuhscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
April 21, 2023

SINGLE AUDIT SECTION



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Clatskanie School District No. 6J

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clatskanie School District No. 6J, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Clatskanie School District No. 6J’s basic financial statements and have issued our report thereon dated April 21, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clatskanie School District No. 6J’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clatskanie School District No. 6J’s internal control. Accordingly, We do not express an opinion on the effectiveness of Clatskanie School District No. 6J’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clatskanie School District No. 6J’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', is written over a horizontal line.

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
April 21, 2023



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Clatskanie School District No. 6J

Report on Compliance for Each Major Federal Program

We have audited Clatskanie School District No. 6J’s compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of Clatskanie School District No. 6J’s major federal programs for the year ended June 30, 2022. Clatskanie School District No. 6J’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Clatskanie School District No. 6J’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clatskanie School District No. 6J’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination Clatskanie School District No. 6J’s compliance.

Opinion on Each Major Federal Program

In our opinion, Clatskanie School District No. 6J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

The management of Clatskanie School District No. 6J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Clatskanie School District No. 6J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clatskanie School District No. 6J's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in Internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
April 21, 2023

CLATSKANIE SCHOOL DISTRICT NO. 6J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED June 30, 2022

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing (AL) #			Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Receivable)/Deferred Revenue		Cash Received	Expenditures	(Receivable)/Deferred Revenue June 30, 2022
	Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification							June 30, 2021	June 30, 2021			
US. DEPARTMENT OF EDUCATION														
Passed Through Oregon Department of Education:														
Title IA - Grants to Local Education Agencies	84	010				Fund #222	84.010	2020-21	\$ 154,584	\$ (76,152)	\$ 76,152	\$ -	\$ -	
Title IA - Grants to Local Education Agencies	84	010				Fund #222	84.010	2021-22	154,584	-	96,658	149,898	(53,240)	
ESSA Partnerships 19-20 Supplement						Fund #231.351		2019-20	45,947	-	-	28,417	(28,417)	
Title IA - ESSA D & SI OIPD District Engagement	84	010				Fund #231	84.010	2019-20	18,531	(18,531)	18,531	-	-	
Total Title I									464,937	(94,683)	191,341	178,315	(81,657)	
Title II-A Teacher Quality	84	367				Fund #223	84.367	2021-22	29,086	-	26,010	29,086	(3,076)	
Title II-A Teacher Quality	84	367				Fund #223	84.367	2020-21	22,559	-	-	2,367	(2,367)	
Total Title I-A									51,645	-	26,010	31,453	(5,443)	
Title IV - Student Support and Academic Enrichment	84	424				Fund #232	84.424	2020-21				682	(682)	
Title IV - Student Support and Academic Enrichment	84	424				Fund #232	84.424	2021-22	11,184	-	11,184	11,184	-	
Total Rural Education									11,184	-	11,184	11,866	(682)	
Elementary & Secondary School Emergency Relief, II	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #217	84.425	2019-20	509,451	(122,435)	122,435	222,101	(222,101)	
Elementary & Secondary School Emergency Relief, III	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #216	84.425	2020-21	1,144,957	(880)	146,381	225,925	(80,424)	
Comprehensive Distance Learning, GEER Funding	84	425	COVID-19, 84.425C	Education Relief Fund	Educational Stabilization Fund	Fund #204.910	84.425	2020-21	129,404	(129,404)	129,404	448,026	(302,525)	
Total Educational Stabilization Fund									1,783,812	(252,719)	398,220	822,589	(447,484)	
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #221.307.604	84.027	2021-22	124,409	-	95,751	124,409	(28,658)	
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #221.307.604	84.027	2020-21	120,228	(120,228)	120,228	-	-	
IDEA - Special Education Grants to States(Part B Sec.619)	84	027	A			Fund #221.304	84.027A	2020-21	1,862	-	-	1,862	(1,862)	
IDEA - Special Education Grants to States(Part B Sec.611) ARP	84	027				Fund #221.306.604	84.173	2021-22	26,658	-	-	26,658	(26,658)	
Total IDEA									276,821	(120,228)	215,980	152,929	(57,178)	
Student Support & Academic Enrichment						Federal Misc.	84.424	2018-19		-	-	-	-	
Total Passed through Oregon Department of Education									\$ 2,588,399	\$ (467,630)	\$ 842,735	\$ 822,589	\$ (447,484)	
Passed through Department of Education (direct):														
Indian Education Formula Grant	84	060	A			Fund 220.910	84.060 A	2020-21	\$ 4,000	\$ (4,000)	\$ 4,000	\$ -	\$ -	
Indian Education Formula Grant	84	060	A			Fund 220.910	84.060 A	2021-22	4,000	-	-	4,000	(4,000)	
Total Passed through Department of Education (direct):									\$ 8,000	\$ (4,000)	\$ 4,000	\$ 4,000	\$ (4,000)	
Passed Through Clatsop Community College														
Carl Perkins Grant	84	048				Fund 220.907	84.048	2021-22	7,552	-	7,552	7,552	-	
Total Passed through Clatsop Community College									\$ 7,552	\$ -	\$ 7,552	\$ 7,552	\$ -	
Total U.S. Department of Education									\$ 2,603,951	\$ (471,630)	\$ 854,287	\$ 834,141	\$ (451,484)	
DEPARTMENT OF HEALTH AND HUMAN SERVICES														
Foster Care Title IV-E	93	658				Fund #204	93.658	2020-21	\$ 2,639	\$ (2,639)	\$ 2,639	\$ -	\$ -	
Total Department of Health and Human Services									\$ 2,639	\$ (2,639)	\$ 2,639	\$ -	\$ -	
U.S. DEPARTMENT OF AGRICULTURE														
Passed Through Oregon Department of Education:														
Commodities	10	555				Fund #299	10.555	2021-22	\$ 35,089	-	35,089	35,089	-	
National School Lunch - Breakfast	10	553				Fund #299	10.553	2021-22	77,505	-	77,505	79,872	-	
National School Lunch - Section 4	10	555				Fund #299	10.555	2021-22	262,943	-	262,943	278,942	-	
CNP SNAP State and Local P. EBT FF FY22	10	649				Fund #299	10.649	2021-222	614	-	614	614	-	
Total National School Lunch Program									376,151	-	376,151	394,517	-	
Total U.S. Department of Agriculture									\$ 376,151	\$ -	\$ 376,151	\$ 394,517	\$ -	
TOTALS									\$ 2,982,741	\$ (474,269)	\$ 1,233,077	\$ 1,228,657	\$ (451,484)	
<i>This schedule is prepared using the modified accrual basis of accounting.</i>														
RECONCILIATION TO REVENUE:														
Cash Receipts per Schedule Above									\$ 1,233,077					
Grants Receivable/Deferred Revenue Beginning of Year									(474,269)					
Grants Receivable/Deferred Revenue End of Year									451,484					
Federal Revenue Recognized per Financial Statements									\$ 1,210,292					

CLATSKANIE SCHOOL DISTRICT NO. 6J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of Clatskanie School District No. 6J under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Clatskanie School District No. 6J, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Clatskanie School District No. 6J.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COSTS RATE

Clatskanie School District No. 6J has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

CLATSKANIE SCHOOL DISTRICT NO. 6J

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022**

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Clatskanie School District No. 6J in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of Clatskanie School District No. 6J were disclosed during the audit.
4. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The programs tested as a major program were the
 - Educational Stabilization Fund AL# 84.425 cluster
 - National School Lunch AL # 10.555 cluster
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was determined to not be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2022.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.